

Union Calendar No. 8

96TH CONGRESS
1ST SESSION

H. R. 2479

[Report No. 96-26]

To help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1979

Mr. ZABLOCKI (for himself, Mr. WRIGHT, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. ROSENTHAL, Mr. HAMILTON, Mr. WOLFF, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. PEASE, Mr. MICA, Mr. BARNES, Mr. GRAY, Mr. HALL of Ohio, Mr. WOLPE, Mr. BOWEN, Mr. FITHIAN, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. GUYER, Mr. PRITCHARD, and Mrs. FENWICK) introduced the following bill; which was referred to the Committee on Foreign Affairs

MARCH 3, 1979

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan.

I—E●

1 (5) Any armed attack against Taiwan, or use of
2 force, boycott, or embargo to prevent Taiwan from en-
3 gaging in trade with other nations, would be a threat
4 to the peace and stability of the Western Pacific area
5 and of grave concern to the United States.

6 **TITLE I—PROMOTION OF SECURITY IN THE**
7 **WESTERN PACIFIC**

8 **PROTECTION OF UNITED STATES SECURITY INTERESTS**

9 SEC. 101. (a) In furtherance of the principles set forth in
10 section 2 of this Act, the United States will make available to
11 Taiwan defense articles and defense services for its defense
12 against armed attack.

13 (b) The President shall promptly inform the Congress of
14 any danger to United States interests arising from any threat
15 to the security of Taiwan. The President and the Congress
16 shall determine, in accordance with constitutional processes,
17 appropriate action by the United States in response to any
18 such danger.

19 **TITLE II—MAINTENANCE OF COMMERCIAL AND**
20 **OTHER RELATIONS**

21 **APPLICATION OF UNITED STATES LAWS TO TAIWAN**

22 SEC. 201. (a) No requirement, whether expressed or im-
23 plied, under the laws of the United States with respect to
24 maintenance of diplomatic relations or to recognition of a
25 government shall apply with respect to Taiwan.

1 (b)(1) The absence of such relations and such recognition
2 shall not affect the application of the laws of the United
3 States with respect to Taiwan, and the laws of the United
4 States (including laws relating to rights, obligations, standing
5 to sue and be sued, legal capacity, or eligibility to participate
6 in programs and other activities under the laws of the United
7 States) shall apply with respect to Taiwan in the manner that
8 the laws of the United States applied with respect to Taiwan
9 prior to January 1, 1979.

10 (2) Notwithstanding paragraph (1) of this subsection, for
11 purposes of the Act of June 27, 1952, Taiwan may be treat-
12 ed in the manner specified in the first sentence of section
13 202(b) of that Act.

14 (3) Pursuant to paragraph (1) of this subsection, inter-
15 ests in property, tangible or intangible, acquired by the Re-
16 public of China prior to January 1, 1979, shall not be affect-
17 ed in any way by United States recognition of the People's
18 Republic of China.

19 (c) All treaties and other international agreements
20 which were in force between the United States and the Re-
21 public of China on December 31, 1978, shall continue in
22 force between the United States and Taiwan unless terminat-
23 ed in accordance with their terms or otherwise in accordance
24 with the laws of the United States.

1 MAINTENANCE OF RELATIONS

2 SEC. 202. (a) Except as the President may otherwise
3 provide—

4 (1) dealings of the United States Government
5 with Taiwan shall be conducted by or through such
6 nongovernmental entity as the President, after consul-
7 tation with Taiwan, may designate (hereafter in this
8 Act referred to as the "designated entity"); and

9 (2) dealings of Taiwan with the United States
10 Government shall be conducted by or through such in-
11 strumentality established by Taiwan as the President
12 and Taiwan agree is the instrumentality which is ap-
13 propriate for such dealings and which has the neces-
14 sary authority under the laws of Taiwan to provide as-
15 surances and take other actions on behalf of Taiwan
16 with respect to the United States Government.

17 (b)(1) The laws of the United States which apply with
18 respect to agencies of the United States Government shall, to
19 the extent the President may specify, apply with respect to
20 the designated entity as if the designated entity were an
21 agency of the United States Government.

22 (2) Any agency of the United States Government may
23 sell, loan, or lease property (including interests therein) to,
24 and perform administrative and technical support functions
25 and services for the operations of, the designated entity upon

1 such terms and conditions as the President may direct. Reim-
2 bursements to agencies under this paragraph shall be credited
3 to the current applicable appropriation of the agency
4 concerned.

5 (3) Any agency of the United States Government may
6 acquire and accept services from the designated entity upon
7 such terms and conditions as the President may direct, with-
8 out regard to the laws and regulations normally applicable to
9 the acquisition of services by such agency.

10 (c) Upon the granting by Taiwan of comparable privi-
11 leges and immunities with respect to the designated entity
12 and its personnel, the President is authorized to extend with
13 respect to the Taiwan instrumentality described in paragraph
14 (2) of subsection (a), and its personnel, such privileges and
15 immunities (subject to appropriate conditions and obligations)
16 as may be necessary for the effective performance of their
17 functions.

18 SEPARATION OF GOVERNMENT PERSONNEL FOR
19 EMPLOYMENT WITH THE DESIGNATED ENTITY

20 SEC. 203. (a)(1) Under such terms and conditions as the
21 President may direct, any agency of the United States Gov-
22 ernment may separate from Government service for a speci-
23 fied period any officer or employee of that agency who ac-
24 cepts employment with the designated entity.

1 (2) An officer or employee separated by an agency
2 under paragraph (1) of this subsection for employment with
3 the designated entity shall be entitled upon termination of
4 such employment to reemployment or reinstatement with
5 such agency (or a successor agency) in an appropriate posi-
6 tion with the attendant rights, privileges, and benefits which
7 the officer or employee would have had or acquired had he or
8 she not been so separated, subject to such time period and
9 other conditions as the President may prescribe.

10 (3) An officer or employee entitled to reemployment or
11 reinstatement rights under paragraph (2) of this subsection
12 shall, while continuously employed by the designated entity
13 with no break in continuity of service, continue to participate
14 in any benefit program in which such officer or employee was
15 participating prior to employment by the designated entity,
16 including programs for compensation for job-related death,
17 injury, or illness; programs for health and life insurance; pro-
18 grams for annual, sick, and other statutory leave; and pro-
19 grams for retirement under any system established by law or
20 regulation, except that such employment shall be the basis
21 for participation in such programs only to the extent that
22 employee deductions and employer contributions, as required,
23 in payment for such participation for the period of employ-
24 ment with the designated entity, are currently deposited in
25 the program's or system's fund or depository. Death or re-

1 tirement of any such officer or employee during approved
2 service with the designated entity and prior to reemployment
3 or reinstatement shall be considered a death in service or
4 retirement from Government service for purposes of any em-
5 ployee or survivor benefits acquired by reason of service with
6 an agency of the United States Government.

7 (4) Any employee of an agency of the United States
8 Government who entered into service with the designated
9 entity on approved leave of absence without pay prior to the
10 enactment of this Act shall receive the benefits of this section
11 for the period of such service.

12 (b) Any agency of the United States Government em-
13 ploying alien personnel in Taiwan may transfer such person-
14 nel, with accrued allowances, benefits, and rights, to the des-
15 ignated entity without a break in service for purposes of re-
16 tirement and other benefits, including continued participation
17 in any system established by law or regulation for the retire-
18 ment of employees in which the alien was participating prior
19 to the transfer to the designated entity, except that employ-
20 ment with the designated entity shall be creditable for retire-
21 ment purposes only to the extent that employee deductions
22 and employer contributions, as required, in payment for such
23 participation for the period of employment with the designat-
24 ed entity, are currently deposited in the system's fund or
25 depository.

1 (c) Employees of the designated entity shall not be em-
2 ployees of the United States and, in representing the desig-
3 nated entity, shall be exempt from section 207 of title 18,
4 United States Code.

5 (d) The salaries and allowances paid to employees of the
6 designated entity shall be treated in the same way for tax
7 purposes under the Internal Revenue Code of 1954 as sala-
8 ries and equivalent allowances paid by agencies of the United
9 States Government.

10 SERVICES TO UNITED STATES CITIZENS IN TAIWAN

11 SEC. 204. (a) The designated entity may authorize any
12 of its employees in Taiwan—

13 (1) to administer to or take from any person an
14 oath, affirmation, affidavit, or deposition; and to per-
15 form any notarial act which any notary public is re-
16 quired or authorized by law to perform within the
17 United States;

18 (2) to act as provisional conservator of the per-
19 sonal estates of deceased United States citizens; and

20 (3) to assist and protect the interests of United
21 States persons by performing other acts authorized to
22 be performed outside the United States for consular
23 purposes by such laws of the United States as the
24 President may specify.

1 (b) Acts performed by authorized employees of the des-
2 ignated entity under this section shall be valid, and of like
3 force and effect within the United States, as if performed by
4 any other person authorized to perform such acts.

5 DEFINITIONS

6 SEC. 205. For purposes of this Act—

7 (1) the term "laws of the United States" includes
8 any statute, rule, regulation, ordinance, order, or judi-
9 cial rule of decision of the United States or any politi-
10 cal subdivision thereof; and

11 (2) the term "Taiwan" includes, as the context
12 may require, the islands of Taiwan and the Pescadores,
13 the inhabitants of those islands, corporations and other
14 entities and associations created or organized under the
15 laws applied on those islands, and the authorities exer-
16 cising governmental control on those islands (including
17 agencies and instrumentalities thereof).

18 IMPLEMENTING REGULATIONS

19 SEC. 206. The President may prescribe such regulations
20 as he deems necessary to carry out this Act.

21 EFFECTIVE DATE

22 SEC. 207. This Act shall be effective as of January 1,
23 1979.

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By Mr. ZABLOCKI, Mr. WRIGHT, Mr. FOUNTAIN, Mr. FASCELL, Mr. DIGGS, Mr. ROSENTHAL, Mr. HAMILTON, Mr. WOLFE, Mr. BINGHAM, Mr. YATRON, Mr. SOLARZ, Mr. BONKER, Mr. PEASE, Mr. MICA, Mr. BARNES, Mr. GRAY, Mr. HALL of Ohio, Mr. WOLPE, Mr. BOWEN, Mr. FITZHIAN, Mr. BROOMEFIELD, Mr. DERWINSKI, Mr. FINDLEY, Mr. BUCHANAN, Mr. WINN, Mr. GILMAN, Mr. GUYER, Mr. PRITCHARD, and Mrs. FENWICK

FEBRUARY 28, 1979

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